

## **Devolution Deals**

### **Purpose of Report**

For discussion and direction.

### **Summary**

As groupings of councils across England submit expressions of interest on devolution, it is timely to consider Whitehall's capacity to match places' ambitions and the LGA's own offer of support to councils. The momentum behind the devolution agenda also raises wider constitutional questions.

### **Recommendation**

That the LGA Executive is invited to consider the questions in paragraphs 5, 8 and 9.

### **Action**

Officers to proceed according to members' steer.

**Contact officer:**

Rebecca Cox

**Position:**

Principal Policy Adviser

**Phone no:**

020 7187 7384

**E-mail:**

[rebecca.cox@local.gov.uk](mailto:rebecca.cox@local.gov.uk)

## **Devolution deals**

### **Background**

1. As part of the Spending Review process, Government invited expressions of interest from groupings of councils looking to take on greater powers and responsibility. This is a new milestone in the devolution debate that builds on the LGA's lobbying for a bottom-up approach, early wins by the sector in securing deals, the early introduction in the new Parliament of the Cities and Local Government Devolution Bill and messages from the Secretary of State for Communities and Local Government at the LGA Annual Conference and elsewhere.
2. The most recent submission of bids follows early devolution deals agreed with Greater Manchester Combined Authority, Sheffield City Region, West Yorkshire Combined Authority, and Cornwall. Around thirty bids have been submitted from groupings of councils across the country. It is understood that a small number of further expressions of interest are likely to be submitted in the coming months and that Government will continue to welcome conversations with all areas interested in devolution.
3. The LGA's DevoNext campaign has made the case for devolution extending to all parts of England so that all communities have the opportunity to benefit from it. The LGA will build on this message through our lobbying on the Devolution Bill and the cross-cutting devolution policy work commissioned by the Leadership Board from the City Regions and People and Places Boards at its July meeting. It is intended that this will support those furthest ahead in building on their early achievements while at the same time ensuring that legislation and the evidence base are broad enough to support the wide range of approaches developing across the sector.

### **Working with Whitehall**

4. The majority of areas in England are now engaged to some degree in discussions about devolution either locally or nationally. Ambitious deals have been submitted by councils and their partners, including significant areas of commonality on the localisation of skills and employment support, transport, and housing and planning. A number include elements of public service transformation, including health and social care and building on local Troubled Families programmes. Some places have included newer areas for devolution such as digital connectivity, culture, and education. A number of bids overtly address the question of a Mayor, with some open to discussion, and a number discuss the formation of a combined authority.
5. Importantly, the bids reflect the different stages at which places find themselves, and Whitehall must recognise this and not adopt a one-size-fits-all approach to negotiations. The themes from the bids suggest that Department for Work and Pensions (DWP), Department for Education (DfE) and Department for Transport (DfT) alongside Department for Communities and Local Government (DCLG) and Her Majesty's Treasury (HMT) will be key Departments in negotiating areas' proposals and that taken as a whole the bids put forward represent significant change to Departments' current ways of working. As we look to a difficult Spending Review period it is more important than ever

that the goodwill expressed by senior Ministers is translated into an openness from departments across Whitehall to innovative solutions to the challenges facing the public sector. However, we must retain our strong message that devolution on its own is not a solution to the funding challenges facing the sector. **Members' views are sought on how we can best focus our lobbying activity to support negotiations and ensure that the powers on offer are significant enough to warrant the investment of councils' resources and changes to local governance arrangements.**

6. The volume of bids submitted to Whitehall requires significant resource from lead Departments to ensure that places are adequately supported throughout the negotiation process. Councils have previously expressed concern about Departments' ability to commit the substantial time needed to properly support their negotiations. This could lead to a de facto prioritisation, with proposals at an earlier stage of development being squeezed out by those judged to be closer to implementation or those seen to be more aligned to Government's priorities. The LGA will continue to monitor feedback from councils and press Government to free up resources where necessary. On our devolution hub (see paragraph 7.4) we have already identified a number of significant agreements between councils and Government, and these could help form a baseline for discussions that avoids re-treading ground that has been covered elsewhere. The relatively tight timeline between now and any announcements being made in the Spending Review on 25 November makes this particularly critical and will remain a high priority for the LGA.

### Supporting developing partnerships

7. The City Regions and People and Places Board have commissioned a demand-led programme of support to councils. The offer is open to be shaped by the changing needs of the sector, but reflects the requests received by the LGA to date. Broadly, councils have asked for support in:
  - 7.1. Brokering local conversations with support from member or officer peers.
  - 7.2. Expert support in developing bids and business cases. Initially this has been directly from LGA officers, but the LGA is building a list of expert advisers who can support councils to develop and implement specific areas of their bids and deals.
  - 7.3. Support in negotiating with Whitehall, led by Andrew Campbell, Associate Director on secondment to the LGA from DCLG.
  - 7.4. Knowledge sharing and best practice. The LGA's paper 'English Devolution' has been downloaded around 25,000 times, and its accompanying series of essays on public health around 11,000. The LGA has recently re-launched its devolution webpages.<sup>1</sup> This 'hub' is a resource for technical information, updates on the most recent activity at local and national government level, and key documents from devolution frontrunners. Over time this hub will be developed to include further detail on the evidence base for devolution, progress on deals, and learning from those further ahead in the process.

---

<sup>1</sup> <http://www.local.gov.uk/devolution>

8. It is expected that the support offered by the LGA will change as different councils and groups of councils move forward at different paces. In particular, we might look to offer more intensive local support to areas at key points and to help councils strengthen their offers on public service transformation. It will also be important to capture the learning, advice, and reflections from places as they move through different stages and ensure this is available to the rest of the sector. **Comments are invited from members as to how the LGA can ensure it is engaging effectively with councils across the country.**

### **Longer term issues**

9. Existing devolution deals and the scale of the bids submitted start to suggest wider constitutional implications for the balance of power in the UK. The LGA will need to consider how it will address this and what steps we could take towards promoting a wider debate about devolution and the constitution of the UK. **The commission from the Leadership Board to the City Regions and People and Places Boards includes constitutional issues and will be discussed at these Boards' meetings next month. The Executive might like to suggest specific topics for these discussions.**
10. The LGA has begun to promote a constitutional debate through our role as secretariat to the All-Party Parliamentary Group on Reform, Decentralisation and Devolution.<sup>2</sup> The APPG's qualifying officers are Lord Foulkes of Cumnock, Lord Purvis of Tweed, Andrew Rosindell MP, and Catherine West MP. The APPG has recently launched an inquiry into 'Better Devolution for the Whole UK' covering the devolved nations, local government, central powers in the UK and wider constitutional reform. The inquiry panel, chaired by Lord Kerslake, last week took oral evidence from the Rt Hon Gordon Brown, former Prime Minister, Professor Robert Hazell, and Professor Jim Gallagher. The inquiry will continue into early 2016 and is expected to make a significant, high-profile contribution to the constitutional debate in the UK.

### **Financial implications**

11. The work described can be undertaken within allocated resources.

---

<sup>2</sup> <http://www.local.gov.uk/all-party-parliamentary-group>